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Proposed programme budget for the biennium 2018-2019

Request for a subvention to the United Nations Institute for Disarmament Research resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2018-2019

Note by the Secretary-General

Summary

In section IV, paragraph 2, of its resolution 60/248, the General Assembly endorsed the proposal that the request for a subvention to the United Nations Institute for Disarmament Research (UNIDIR) be submitted for review and approval by the Assembly on a biennial basis in the context of its consideration of the proposed programme budget for the related biennium.

In that context, and in accordance with the provisions of the statute (see General Assembly resolution 39/148 H, annex, article VIII, para. 3) and resolution 70/69, and in the light of the recommendations contained in the report of the Secretary-General on the work of the Advisory Board on Disarmament Matters (A/70/186), the Assembly is requested to approve the proposed subvention in the amount of $2,074,700 to UNIDIR from the regular budget of the United Nations for the biennium 2018-2019. The related provision is included under section 4, Disarmament, of the proposed programme budget for the biennium 2018-2019 (A/72/6 (Sect. 4) and Corr.1).

The attention of the General Assembly is drawn to paragraphs 38 to 40 of the report of the Secretary-General on the work of the Advisory Board on Disarmament Matters (A/72/185).

* A/72/150.

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1. The present report is submitted to the General Assembly in the context of its consideration of a subvention to the United Nations Institute for Disarmament Research (UNIDIR) from the regular budget of the United Nations for 2018-2019.

2. In operative paragraph 9 of its resolution 70/69, the General Assembly requested the Secretary-General, as an exceptional, one-off measure to preserve the future of the Institute and without setting a precedent, to submit, in the context of the programme budget for the biennium 2018-2019, a funding proposal taking into account additional resources in the light of the recommendations contained in the latest report of the Secretary-General on the work of the Advisory Board on Disarmament Matters (A/70/186). The Assembly also requested the Secretary-General to commission an assessment by an independent third party with a mandate to prepare a report on the future structural, financial, administrative and operational aspects of UNIDIR, outlining a sustainable and stable funding structure and operating model as required to achieve the mandate and objectives of the Institute beyond the biennium 2018-2019, and to report in that regard to the Assembly at its seventy-third session, taking into account the aforementioned assessment.

3. As informed by the Secretariat at the time of the adoption of resolution 70/69, an internal assessment of the core institutional staffing requirements of UNIDIR was carried out in 2016 in order to determine how the recommendations of the Advisory Board would be reflected in the proposal of the Secretary-General. That assessment included the conclusion that a core staff of four was appropriate for the essential institutional element of UNIDIR (see A/72/154). Specifically, it was concluded that the core staff of UNIDIR should be composed of the following posts: one Director (D-2), one Chief of Operations (P-5), one Finance and Budget Officer (P-3) and one Administrative Assistant (General Service (Other level)).

4. At its sixty-eighth session, held in New York from 28 to 30 June 2017, the Advisory Board on Disarmament Matters, in its capacity as Board of Trustees of the Institute, approved, for submission to the General Assembly, the report of the Director of the Institute on its activities for the period from January to December 2016 and the proposed programme of work and financial plan for 2017 and 2018 (see A/72/185). The financial information contained in the annexes to the present report is consistent with that contained in the report of the Director.

5. At the same meeting, the Board also considered the question of the subvention from the United Nations regular budget to the Institute and strongly recommended that the subvention be approved (see A/72/185, para. 38). The Board also strongly supported a one-off increase in the regular budget subvention for the biennium 2018-2019, as recommended in General Assembly resolution 70/69. The Board noted that the resolution had been adopted by consensus.

6. The Board reiterated its previous conviction that the minimum institutional structure of UNIDIR should consist of five posts (see A/72/185, para. 39). In the view of the Board, in order to ensure the operational sustainability and independence of the Institute, the annual subvention should be increased to cover the costs of all the institutional staff, including the position of Chief of Research, which would further strengthen research design and integrity.

7. The Board also looked forward to the independent third-party assessment of UNIDIR, expected to be carried out in early 2018, to be followed by a report of the Secretary-General, and stressed that the sustainable and stable funding structure and operating model outlined in the report of the Secretary-General must respect the mandate and objectives of the Institute, as contained in the statute of the Institute (see A/72/185, para. 40).

8. The proposed programme budget of the United Nations for the biennium 2018-2019, under section 4, Disarmament (A/72/6 (Sect. 4) and Corr.1), contains a provision of $2,074,700, including the funding proposal discussed in paragraph 2 above, for the one-off increase in the subvention from the regular budget to UNIDIR for the biennium. Pursuant to General Assembly resolution 71/274, this amount will be subject to recosting in accordance with the established procedures.

9. The provision of $2,074,700 includes an amount of $1,774,700 for the core institutional staffing funding requirements of UNIDIR and an amount of $300,000 for an assessment by an independent third party with a mandate to prepare a report on the future structural, financial, administrative and operational aspects of the Institute, outlining a sustainable and stable funding structure and operating model as required to achieve the mandate and objectives of the Institute beyond the biennium 2018-2019, as requested by the General Assembly in its resolution 70/69. Resources relating to the above-mentioned assessment will be managed and implemented by the Office for Disarmament Affairs in close collaboration with the United Nations Office at Geneva.

10. Under section IV of General Assembly resolution 44/201 B, entitled "Subvention from the regular budget to the United Nations Institute for Disarmament Research", the Secretary-General is required to report annually to the Assembly on the situation of the Institute. In that context, the financial situation of the Institute, details of which are included in annexes I and II to the present note, may be summarized as follows:

(a) Total revenue for 2017 is estimated at $3,577,000, from the following sources: voluntary contributions ($3,120,000); investment income ($11,000); other revenue ($18,000); and other transfers and allocations ($428,000), including the 2017 portion of the subvention from the United Nations regular budget. Total revenue for 2018 is estimated at $3,490,000, from the following sources: voluntary contributions ($3,016,000); investment income ($16,000); other revenue ($24,000); and other transfers and allocations ($434,000), including the 2018 portion of the subvention from the United Nations regular budget.[1] It is also estimated that, of the total revenue, approximately 85 per cent will be used for special projects and 15 per cent for other purposes, including administrative costs;

(b) Total expenditure for 2017 is estimated at $2,531,000, including a provision of $119,000 for programme support costs. Requirements for 2018 are estimated at $2,422,000, including $106,000 for programme support costs;

(c) Surpluses or funds at the end of 2017 and 2018, estimated at $1,046,000 and $1,068,000, respectively, will be committed in accordance with donor agreements and United Nations requirements.

11. Estimates of income from voluntary contributions, broken down by country, are not included in the present note. This is in line with the report of the Director of the Institute, which bases revenue and expense estimates on the average of the past three years for 2017 and four years for 2018, with a projected increase of 1 per cent (see A/72/154, annex III). In the absence of agreed funding commitments, a country-by-country estimate cannot be provided in advance.

12. It is recalled that the General Assembly, in its resolution 60/248, endorsed the proposal that the request for a subvention to the Institute be submitted for review and approval by the Assembly on a biennial basis in the context of its consideration

[1] It should be noted that the amount of $434,000, under other transfers and allocations, does not include the proposed increase in the subvention to UNIDIR from the United Nations regular budget. With the proposed increase, the amount under other transfers and allocations for 2018 would be $1,007,500 for 2018.

of the proposed programme budget for the related biennium. In addition, as mentioned in paragraph 2, the Assembly, in its resolution 70/69, requested the Secretary-General to submit, in the context of the programme budget for the biennium 2018-2019, a funding proposal taking into account additional resources in the light of the recommendations of the Advisory Board on Disarmament Matters.

13. **Accordingly, the General Assembly is hereby requested to approve a subvention to UNIDIR of $2,074,700 (before recosting) from the regular budget of the United Nations for the biennium 2018-2019, the provision for which has been included under section 4, Disarmament, of the proposed programme budget for the biennium 2018-2019.**

Annex I

Actual revenue and expenses for 2015, 2016 and the first quarter of 2017[a]

(Thousands of United States dollars)

Description	*2015*	*2016*	*First quarter 2017*
Revenue			
Voluntary contributions[b]	2 403	2 778	63
Investment revenue	11	27	15
Other transfers and allocations	524	440	278
Other revenue	30	37	3
Total revenue	**2 968**	**3 282**	**359**
Expenses			
A. Direct administrative costs			
Employee salaries, allowances and benefits	1 427[c]	1 193[d]	274[e]
Non-employee compensation and allowances	176	576[f]	163[g]
Grants and other transfers	39	0	0
Supplies and consumables	0	1	0
Travel	101	216	59
Other operating expenses	213	95	39
Other expenses	8	20	1
Subtotal	**1 964**	**2 101**	**536**
B. Programme support and prorated expenses	110	79	28
Total expenses (A+B)	**2 074**	**2 180**	**564**
Surplus/(deficit) for the year[h]	**894**	**1 102**	**(205)**

[a] Figures are from United Nations Institute for Disarmament Research (UNIDIR) statements of financial performance for the years 2015 and 2016, which were prepared in accordance with the International Public Sector Accounting Standards.

[b] Contributions are accounted for in the year in which the pledge is signed, for the current and future years.

[c] Institutional staff costs in 2015 amount to $996,438.

[d] Institutional staff costs in 2016 amount to $1,079,890.

[e] Institutional staff costs for the first quarter of 2017 amount to $244,399.

[f] $31,951 corresponds to the travel of consultants.

[g] $15,671 corresponds to the travel of consultants.

[h] The timing of the receipt of funding from donors and the implementation period of the relevant projects and activities of UNIDIR have an impact on this number at year end.

Annex II

Estimated resource requirements for 2017 and 2018[a]

(Thousands of United States dollars)

Description	*2017 (estimates) (1)*	*2018 (estimates) (2)*	*Increase/(decrease) (2-1)*
Revenue			
Voluntary contributions	3 120	3 016	(104)
Investment income	11	16	5
Other transfers and allocations[b]	428	434	6
Other revenue	18	24	6
Total revenue	**3 577**	**3 490**	**(87)**
Expenses			
A. Direct administrative costs			
Employee salaries, allowances and benefits	1 759	1 574	(185)
Non-employee compensation and allowances	213	337	124
Grants and other transfers	60	40	(20)
Supplies and consumables	3	2	(1)
Travel	112	147	35
Other operating expenses	253	201	(52)
Other expenses	12	15	3
Subtotal	**2 412**	**2 316**	**(96)**
B. Programme support and prorated expenses	119	106	(13)
Total expenses (A+B)	**2 531**	**2 422**	**(109)**
Surplus/(deficit) for the year[c]	**1 046**	**1 068**	**22**

[a] Projections for 2017 and 2018 were calculated as an average of past years, starting with 2014, plus 1 per cent.

[b] Pursuant to General Assembly resolution 70/69, an increase in the subvention from the regular budget in an amount of $1,524,700, as a one-off measure to preserve the future of the United Nations Institute for Disarmament Research (UNIDIR), is being requested for approval by the General Assembly for the biennium 2018-2019. This is in addition to the annual subvention (and other transfers and allocations) provided as part of UNIDIR projections for 2018. The increase includes a funding requirement for core institutional staffing and an amount of $300,000 for an assessment by an independent third party. Resources relating to the assessment will be managed by the Office for Disarmament Affairs in close collaboration with the United Nations Office at Geneva (see A/72/6 (Sect. 4) and Corr.1).

[c] The timing of the receipt of funding from donors and the implementation period of the relevant projects and activities of UNIDIR have an impact on this number at year end.